

VALUE-BASED INSURANCE DESIGN (VBID) TASK FORCE

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Overview

- Establishment and Charge of Task Force
- Task Force Members
- Review of Tasks and Actions
- Next Steps

Task Force Establishment

- 2012: Concerns raised about increased enrollment in high-deductible health plans and their effect on patient outcomes
- March 2013: Council discussed VBID strategy
 - University of Michigan VBID Center hired as consultant to provide recommendations on promoting VBID in Maryland
- October 2013: Consultants submitted final report; Council passed motion to establish Task Force
- December 2013: Council passed motion to accept charter

Task Force Charge

- “Develop and recommend specific policy options and clinical areas and services for VBID in the Maryland Health Benefits Exchange and self-insured employer insurance market.”
- “The basic premise of VBID is to align patients’ out-of-pocket costs, such as copays and premiums, with the value of health services.”
- “By reducing barriers to high-value treatments through lower costs to patients – “carrots” -- and discouraging low-value treatments through higher costs to patients – “sticks”-- plans can achieve improved health outcomes at any level of health care expenditure.”

Members

- James Chesley, MD
- Larry Gross
- Nicolette Highsmith Vernick, MPA
- Edward Koza, MD
- Lindsay H. Lucas, MBA
- Roger Merrill, MD
- Lisa Ogorzalek, JD, MHA
- Donald Shell, MD, MPH
- Anne Timmons, CEBP
- Brenda Wilson

Tasks and Actions

- **Task 1: Educate providers, employers, and consumers about the basic tenets of VBID and why the state is embracing the concept.**
- **Activities:**
 - Developed DHMH VBID website mock-up – to be used as an education tool for businesses and consumers (see next slide)
 - Researched and developed communications tips for businesses, to be posted on website
 - Developed *VBID in Maryland* template for insurers to fill out – will provide information for consumers on plans available in Maryland

Website Mock-Up



Tasks and Actions

- **Task 2: Facilitate a strategic discussion about how the VBID program interacts and complements other elements of state health reform, including payment reform and adoption of health information technology, and incorporate into recommendations.**
- Principles of VBID are very similar to delivery transformation efforts:
 - Emphasis on primary and preventive care
 - Emphasis on decreasing overall medical costs
 - Increasing access to care
 - Incentives to encourage better health and wellness
 - Improved care coordination and follow up

Tasks and Actions

- **Task 3: Use multiple evidence sources to determine specific clinical areas and services with the greatest potential for improved health outcomes and reduced health care costs.** Use evidence from specialty societies, advocacy groups, Choosing Wisely, etc.
- **Activities:**
 - Researched Choosing Wisely and Milliman Waste Calculator
 - Developed *Indicators of Commonly Over-Used Services* for posting on DHMH VBID website for businesses to use when developing a VBID plan

Tasks and Actions

- **Task 4. Review and refine policy options developed by consultants and choose most appropriate options based on review of literature and identified list of specific clinical areas and services with greatest potential benefit.**
- **Activities:**
 - Reviewed publicly-available VBID plans and the literature
 - Developed *VBID Employer Tool* for businesses to use when developing a VBID plan

Tasks and Actions

- **Task 5: Develop and present policy options and specific clinical areas and services to employer groups via Maryland's Healthiest Businesses.**
- Activities:
 - *Recommend:* Develop formal partnership with business coalitions to promote VBID plans
 - Mid-Atlantic Business Group on Health has been engaged on this issue. A formal partnership could result in greater attention to VBID
 - *Recommend:* Incorporate VBID promotion and outreach as part of Maryland's Healthiest Businesses
 - Wellness and Prevention Workgroup would take on outreach as part of Maryland's Healthiest Businesses, in partnership with the Evidence-Based Medicine Workgroup.

Tasks and Actions

- **Task 6: Develop and present policy options and specific clinical areas and services to the Maryland Health Benefits Exchange Board.**
- **Activities:**
 - Reviewed consultant's recommendations
 - Developed a standard definition of VBID to inform future MHBE work (see next slide)
 - *Recommend:* Continue to work to incorporate VBID into 2016 and beyond and develop further recommendations by December 2014

VBID Definition

- VBID plans are built on the principles of engaging your members in their health and well-being, and designing a benefit plan that
 1. Promotes wellness by emphasizing primary/preventive care;
 2. Lowers or removes financial barriers to essential, high-value clinical services; and
 3. Discourages the use of low-value health services and providers.
- VBID plans clearly communicate with their members and provide tools to allow members to use their health plan more effectively and efficiently.
- VBID benefits are structured to offer rewards and incentives to members for being well and using the health care system efficiently. They align patients' out-of-pocket costs, such as copayments, with the value of services.

VBID Definition

- In Maryland, plans must contain the following elements in order to be considered a baseline VBID plan:
 - At least three incentives to use high-value services. A high-value service is one that is accepted in the peer-reviewed literature as providing considerable clinical benefit, relative to the cost;
 - At least two incentives to promote wellness and health among members. Incentives may include promoting disease management programs, health assessments, biometric screenings, tobacco cessation, weight management programs, and other health behavior programs; and
 - Targeting incentives and interventions to specific patient groups (e.g. those with chronic disease(s)).

VBID Definition

- Recognizing that many VBID plans evolve over time and slowly incorporate different incentives and disincentives, plans that contain the following element will receive a higher rating or recognition in the Exchange:
 - At least one incentive to discourage low-value or unproven services. A low-value or unproven service is one that does not provide substantial health benefit relative to the cost.

Discussion